



Rural Opportunity Investment Initiative

Matt McKenna

Advisor to the Secretary
U.S. Department of Agriculture

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AGENDA

- Build America
- USDA Rural Development
- Rural Opportunity Investment Initiative



Build America Investment Initiative



We want to see private capital move off the sideline, because we have a lot to build.

- Vice President Joe Biden



Build America Announcement

Driving Investment to Rural America via a new USDA Rural Opportunity Investment Initiative

- Investments in rural water, energy, broadband infrastructure can create jobs and accelerate economic growth. To help rural projects attract more investment, the Administration is announcing the Rural Opportunity Investment (ROI) Initiative at USDA. In close collaboration with both public and private partners, the ROI Initiative will:
- Connect projects to investors: The ROI Initiative will facilitate and catalyze rural investment opportunities for the public and private sectors. The Initiative will look to generate and facilitate rural investment through USDA field staff across the country and strengthen relationships with the private sector. Public-private collaborations launched by USDA earlier this year – like [the \\$10 billion CoBank rural infrastructure fund between CoBank and Capital Peak Asset Management](#) and a \$150 million Rural Business Investment Company – are the type of innovative financing mechanisms that the Initiative will continue to incubate in an effort to develop and finance infrastructure projects.
- Improve access to USDA credit programs: The Initiative will also focus on opportunities to leverage private sector financing against the over \$30 billion in existing USDA programs and resources to provide funding to vital rural infrastructure projects; including water and wastewater systems, energy efficiency improvements, broadband networks, and other rural infrastructure needs.



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Rural Development Loan Portfolio

Rural Development Loan Portfolio as of September 30, 2013

Direct Portfolio	# of Loans	Amount of Principal Outstanding	Guaranteed Portfolio	# of Loans	Amount of Principal Outstanding
Housing and Community Facilities			Housing and Community Facilities		
Single Family Housing	299,935	\$15,593,598,443	Single Family Housing	775,355	\$89,742,912,407
Multi-Family Housing	24,973	\$11,060,153,000	Multi-Family Housing	615	\$750,593,362
Community Facility	6,121	\$4,708,785,000	Community Facility	701	\$1,242,806,021
Total Housing & Community Fac.	331,029	\$31,362,536,443	Total Housing & Community Fac.	776,671	\$91,736,311,790
Utilities			Utilities		
Water & Waste	17,005	\$12,080,703,000	Water & Waste	68	\$78,665,770
Electric	3,086	\$45,790,844,797	Electric/Other	17	\$273,519,135
Telecommunications	1,822	\$4,576,769,673	Total Utilities	85	\$352,184,905
Total Utilities	21,913	\$62,448,317,470			
Business and Cooperative			Business and Cooperative		
Business and Industry	46	\$24,954,000	Business and Industry	3,516	\$6,706,971,282
RMAP	85	\$20,331,259	Total Business & Cooperative	3,516	\$6,706,971,282
Intermediary Relending Prog/HHS	1,048	\$440,390,800			
Rural Economic Development	361	\$123,615,495			
Total Business & Cooperative	1,540	\$809,291,554			
Total Direct Portfolio	354,482	\$94,420,145,467	Total Guaranteed Portfolio	780,272	\$98,795,467,977
			Total Loan Portfolio	1,134,754	

\$193,215,613,444



Rural Development Programs

Business Loans and Grants

The Business Program(BP) works in partnership with the private sector and the community-based organizations to provide financial assistance and business planning. BP helps fund projects that create or preserve quality jobs and/or promote a clean rural environment. The financial resources of BP are often leveraged with those of other public and private credit source lenders to meet business and credit needs in under-served areas. Recipients of these programs may include individuals, corporations, partnerships, cooperatives, public bodies, nonprofit corporations, Indian tribes, and private companies.

Cooperative Grants and Other Programs

The mission of Cooperative Program (CP) is to promote understanding and use of the cooperative form of business as a viable organizational option for marketing and distributing agricultural products. CP serve cooperative members, directors, management, educational institutions, organizations, rural residents, and all others with an interest in the cooperative form of business. CP strive to assist them to effectively use cooperatives to improve their economic well-being and quality of life.

Single Family Housing Loans and Grants

Single Family Housing Programs provide homeownership opportunities to low- and moderate-income rural Americans through several loan, grant, and loan guarantee programs. The programs also make funding available to individuals to finance vital improvements necessary to make their homes decent, safe, and sanitary.

Multi Family Housing Loans and Grants

Multi-Family Housing Programs offer Rural Rental Housing Loans to provide affordable multi-family rental housing for very low-, low-, and moderate-income families; the elderly; and persons with disabilities. This is primarily a direct mortgage program, but funds may also be used to buy and improve land and to provide necessary facilities such as water and waste disposal systems. In addition, deep subsidy rental assistance is available to eligible families.



Rural Development Programs

Community Facilities Loans and Grants

Community Programs provide loans and grants and loan guarantees for water and environmental projects, as well as community facilities projects. Water and environmental projects include water systems, waste systems, solid waste, and storm drainage facilities. Community facilities projects develop essential community facilities for public use in rural areas and may include hospitals, fire protection, safety, as well as many other community-based initiatives.

Electric Loans and Grants

Providing reliable, affordable electricity is essential to the economic well-being and quality of life for all of the nation's rural residents. The Electric Programs provide leadership and capital to upgrade, expand, maintain, and replace America's vast rural electric infrastructure. Under the authority of the Rural Electrification Act of 1936, the Electric Programs make direct loans and loan guarantees to electric utilities to serve customers in rural areas.

Telecommunications Loans and Grants

USDA Rural Development continues to provide many programs for financing rural America's telecommunications infrastructure. The Traditional Telephone Loan program consists of hardship, cost of money, and guaranteed loans that finance voice telephone service. The Broadband Access Loan program provides loans for funding the costs of construction, improvement, and acquisition of facilities to provide broadband service to eligible rural communities. The Distance Learning and Telemedicine program continues its charge of bringing electronic educational resources to rural schools and improving health care delivery in rural America. Lastly, the Community Connect Grant program provides financial assistance to eligible applicants that will provide currently unserved areas with broadband service that fosters economic growth and public safety services.



Rural Development Programs

Water Loans and Grants

Water and Environmental Programs (WEP) provides loans, grants and loan guarantees for drinking water, sanitary sewer, solid waste and storm drainage facilities in rural areas and cities and towns of 10,000 or less. Public bodies, non-profit organizations and recognized Indian tribes may qualify for assistance. WEP also makes grants to nonprofit organizations to provide technical assistance and training to assist rural communities with their water, wastewater, and solid waste problems.

Community and Economic Development Programs

The CEDP administers programs and initiative that promote self-sustaining, long-term economic and regional development in rural areas. The programs demonstrate how every rural community can achieve self-sufficiency through innovative and comprehensive strategic plans developed and implemented at a grassroots level. The programs stress continued local involvement and decision making which is supported by partnerships among private, public and nonprofit entities.



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ROI Initiative

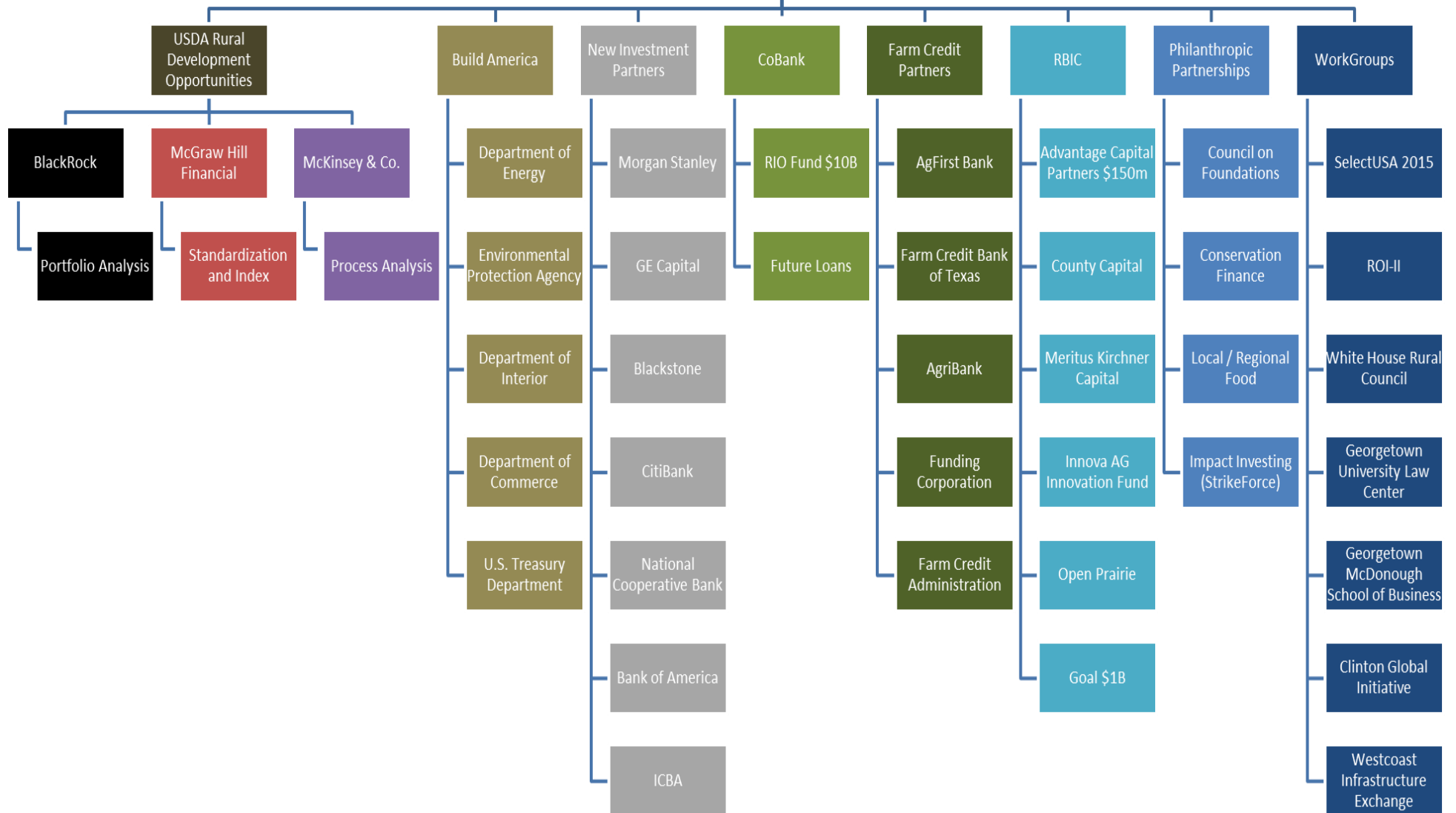
- In fiscal year 2013, the USDA Rural Development Mission Area invested more than \$33 Billion in the economic development of rural America through its more than 40 loan, grant and technical assistance programs.
- In 2014, the portfolio was greater than \$200B, and our financial programs support such essential public facilities and services as water and sewer systems, housing, health clinics, emergency service facilities and electric and telephone service.
- Notwithstanding the annual growth of this portfolio, demand for some of our programs exceeds our capacity. In addition, there is a growing recognition of the need for investment in rural infrastructure, beyond the categories and limits of programs.



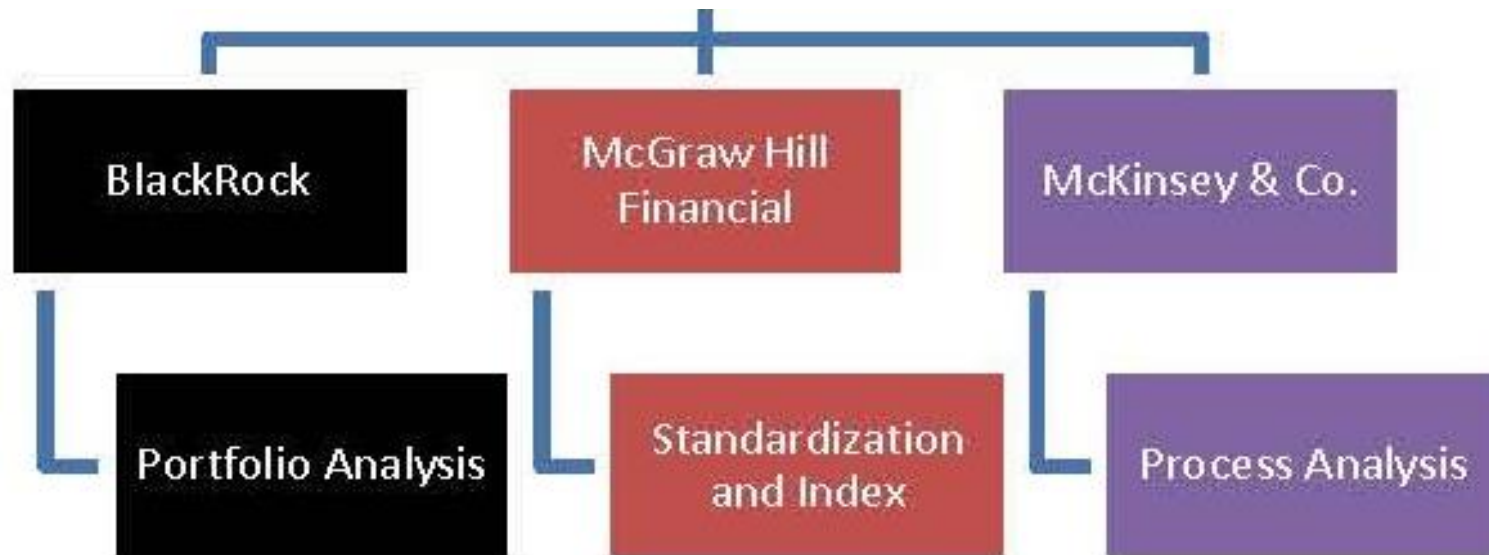
ROI Initiative

- There exists today the opportunity to attract incremental investment in rural America. USDA can act as a catalyst to attract these additional investments through stewardship of its assets and bridging the demand in rural America to private capital. These sources include the fixed income market and equity investors that are searching for such investments.
- This office will attract this incremental capital through a two stage process:
 1. With the background of its current asset base, help establish an accepted asset class for the fixed income market in rural infrastructure.
 2. Attract new sources and investors to rural America.





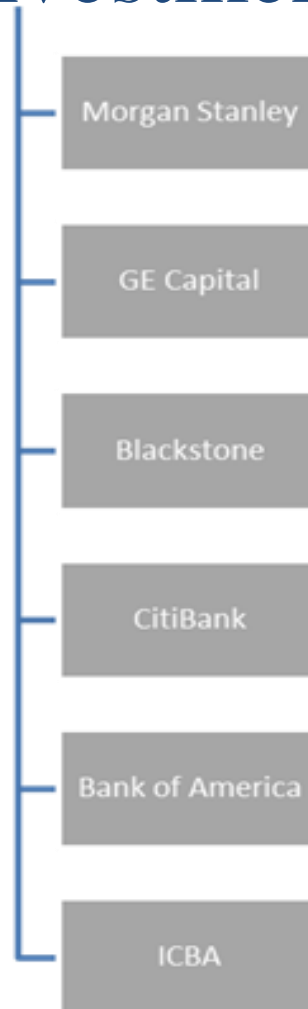
USDA Rural Development Opportunities



Build America Initiative



New Investment Partners



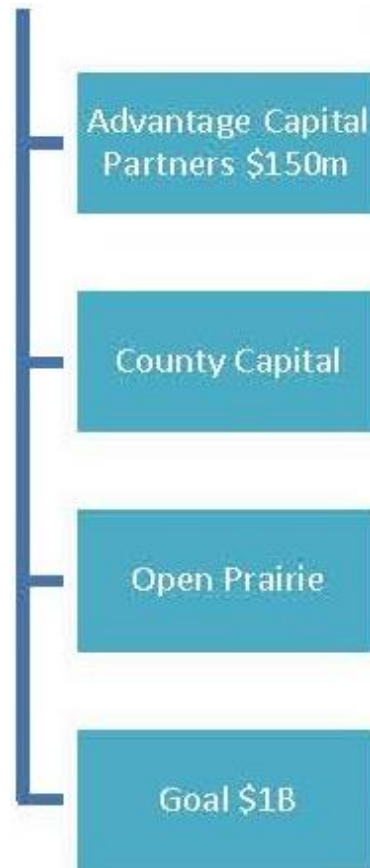
CoBank



Farm Credit Partners



Rural Business Investment Company



Philanthropic Partnerships



WorkGroups

SelectUSA 2015

Rural Opportunity
Investment
Conference II

White House Rural
Council

Georgetown
University Law
Center

Georgetown
McDonough
School of Business

Clinton Global
Initiative

Westcoast
Infrastructure
Exchange



With new efforts like this we can move beyond existing programs and help encourage substantial private investment in projects that grow the economy and improve quality of life for millions of Americans.

- Secretary Tom Vilsack, USDA

